

**MEMO# 31798**

June 10, 2019

## **ICI's Response to IOSCO ESG Survey**

[31798]

June 10, 2019 TO: ICI Members

ICI Global Members

Global ESG Task Force

ICI Global Regulated Funds Committee

SEC Rules Committee SUBJECTS: Compliance

Disclosure

Distribution

International/Global

Investment Advisers

MiFID, EMIR, AIFMD, UCITS V RE: ICI's Response to IOSCO ESG Survey

ICI submitted the attached response to a survey from IOSCO's Sustainable Finance Network (SFN). The survey aims to inform the SFN of regulatory and market participant initiatives related to sustainable finance, as well as initiatives of international bodies, industry lead groups, and standard-setters regarding sustainable finance and how these relate to the role of securities regulators.

The survey does not require responses to all questions, and we responded only to Questions 27, 28, 35, and 36 (on pages 6-7 of the attached PDF). We focused on these four questions because they ask about the role of securities regulators, ESG-related international standards, and IOSCO's next steps. Each of the four responses is only a couple sentences long, in order to meet the survey's very short character limit (300-600 characters).

As background, IOSCO established the SFN in May 2018, chaired by Erik Thedéen, head of the Swedish financial regulator. The SFN is intended to provide IOSCO members with a forum to exchange experiences and gain a better understanding of sustainable finance issues, such as issuer disclosures and their relevance to investor decision-making as well as the level of uptake and implementation of industry-led initiatives. The SFN also allows members to discuss the rationale for securities regulators to address these issues, what roles they can play, and the challenges they may face.

IOSCO issued a "Statement on Disclosure of ESG Matters by Issuers" in January 2018 that encouraged issuers to consider the materiality of ESG matters to their business and reminded issuers to disclose the impact or potential impact of material ESG matters on their financial performance and value creation.[\[1\]](#)

More recently, IOSCO's Growth and Emerging Markets Committee released a report on June 5, 2019 titled "Sustainable finance in emerging markets and the role of securities regulators."<sup>[2]</sup> The report explores the issues and challenges that affect the development of sustainable finance in capital markets, focusing on sustainable assets in emerging markets and measures to facilitate market development in this area. The report then sets forth ten recommendations that IOSCO member jurisdictions should consider when issuing regulations or guidance regarding sustainable instruments and additional disclosure requirements of ESG-specific risks.

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### [Attachment](#)

#### **endnotes**

<sup>[1]</sup> IOSCO, *Statement on Disclosure of ESG Matters by Issuers* (Jan. 18, 2019), available at <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD619.pdf>.

<sup>[2]</sup> IOSCO Growth and Emerging Markets Committee, *Sustainable finance in emerging markets and the role of securities regulators* (June 5, 2019), available at <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD630.pdf>.

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